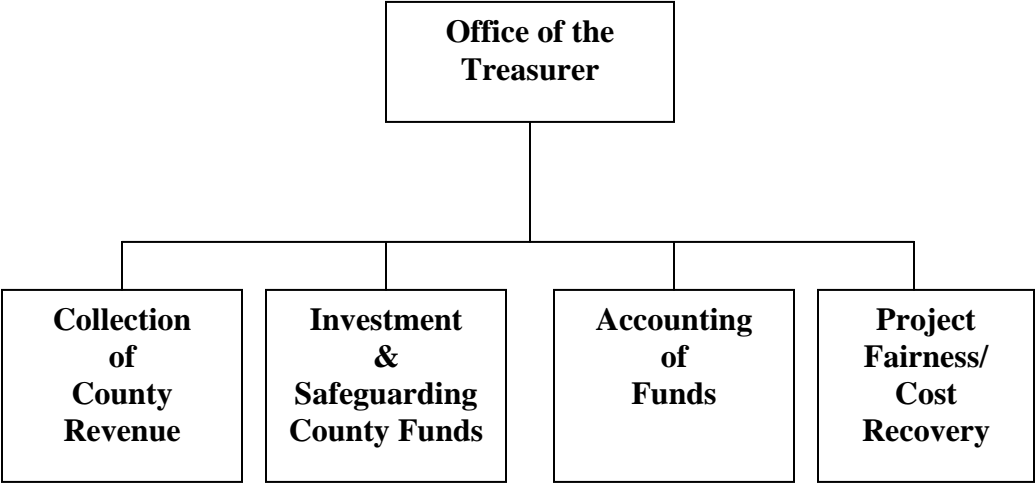


**Office of the Treasurer**

---



## Office of the Treasurer

---

### **MISSION**

The Treasurer is an elected official under the State's Constitution and the Code of Virginia. The Treasurer's Office is dedicated to serving the citizens, commercial sector, Board of Supervisors and other government agencies; to collecting all real and personal property, business license and other taxes as specified by the State Code; to investing and safeguarding of County funds; to account for County funds; to providing quality customer services; and to ensuring vehicle registration compliance.

### **DESCRIPTION**

The Treasurer's Office is organized into four programs: Collection of County Revenue, Investment and Safeguarding County Funds, Accounting of Funds and Project Fairness. As a constitutional office, the department administers tax regulations as specified in the Code of Virginia and the Codified Ordinances of Loudoun County. The Treasurer also serves as the depository of funds for County agencies.

### **BUDGET OVERVIEW**

#### **FY 07 Issues, Challenges & Trends:**

- As the population of the County continues to increase, the Treasurer's Office faces a major challenge of responding to over 93,000 telephone calls and processing over 660,000 payments per year. The collections group targets over 72,000 delinquent accounts and accounting processes 76,000 transactions and refunds.
- The expanded use of technology is paramount to the efficient operation of the office. With the assistance of the Department of Information Technology, it is the Treasurer's intent to upgrade existing systems, develop new automated systems and expand e-commerce. The goal of these new systems is to enhance customer service and minimize labor intensive processing by staff. The online personal property, real property and Business License Search & Pay is a success and contributes to 10% of all tax payments processed.
- The department is sensitive to changes in tax code legislation. The office educates the public about such changes and makes the necessary system enhancements. In FY 07, the Office will need to make the necessary modifications to the treasury management systems to accommodate the second phase of the cap on PPTRA which includes the changes on the collection of delinquent personal property taxes.

#### **FY 07 Major Goals:**

- In partnership with the Departments of Management and Financial Services and Information Technology, the Treasurer's Office will establish and administer the payment to vendors by Automated Clearing House (ACH) and the associated automated notification to the vendor; and intends to expand the program to include the ability to receive ACH installment payments from vendors and taxpayers.
- Implement changes to the personal property database for the collection of the State Share by delinquent taxpayers due to the changes to PPTRA.
- Implement changes to the personal property tax bill to consolidate all tax associated with a specific property on one bill. This would eliminate the need to print a bill for each year and half due on the property.
- Bill semi-annual real estate, semi-annual prorated personal property, and annual business license taxes by mandated date, at least 14 business days prior to the due date.

## Office of the Treasurer

### FY 06 Major Achievements:

- Implemented new integrated cashiering system with image capability. The new system is user friendly, and the image capabilities have significantly reduced research time.
- Established a relationship with a third party vendor to consolidate and process electronic tax payment processing called E-Box. These are payments that are made by each citizen via their online bank bill pay system which generated a check payment without a tax coupon which required manual processing. Most citizens expected their online bank bill pay system generated electronic payments. This system consolidates all bank bill pay payments into an ACH file to deposit and process.
- Implemented enhancement to the Treasurer's Office web-site to accept payments for Business Professional and Occupancy licenses.
- Implemented changes to the personal property database, cashiering system, high-speed processor, website, and tax bills to convert the account number from 6 digit to 8 digit.
- Implemented changes to the personal property database for the computation of tax relief as required by the changes to the Personal Property Tax Reimbursement Act (PPTRA).

### Department Financial Summary

Departmental Financial Summary	FY 03 Actual	FY 04 Actual	FY 05 Actual	FY 06 Adopted	FY 07 Adopted
<b>Expenditures</b>					
Personnel	\$1,935,372	\$2,072,345	\$2,190,278	\$2,435,000	\$2,667,000
Operations & Maintenance	709,571	786,864	600,703	766,000	907,000
Capital Outlay	12,995	12,995	202,708	34,000	34,000
<b>Total Expenditures:</b>	<b>\$2,657,938</b>	<b>\$2,872,204</b>	<b>\$2,993,689</b>	<b>\$3,235,000</b>	<b>\$3,608,000</b>
<b>Departmental Revenue</b>					
Local Fees, Charges, Etc.	\$6,695,870	\$6,955,416	\$9,906,564	\$7,327,000	\$13,442,000
Commonwealth	937,843	884,240	827,951	813,000	813,000
<b>Total Revenues:</b>	<b>\$7,633,713</b>	<b>\$7,839,656</b>	<b>\$10,734,515</b>	<b>\$8,140,000</b>	<b>\$14,255,000</b>
<b>Local Tax Funding:</b>	<b>(\$4,975,775)</b>	<b>(\$4,967,452)</b>	<b>(\$7,740,826)</b>	<b>(\$4,905,000)</b>	<b>(\$10,647,000)</b>
<b>FTE Summary:</b>	<b>38.34</b>	<b>37.34</b>	<b>38.34</b>	<b>39.34</b>	<b>40.34</b>

**FY 07 Board Action:** The FY 07 Adopted Fiscal Plan for the Treasurer includes enhancements totaling 1.00 FTE and \$63,000 in additional local tax funding for an accounting program assistant. The FY 07 budget also includes additional funding for postage and the implementation of compensation and increased benefits costs effective September 2006.

### Budget History:

FY 03 Mid-Year: 1.00 FTE was eliminated from the Project Fairness Program during a mid-year budget reduction.

FY 04 Mid -Year: The Board added 1.00 FTE to support the Cost Recovery Program, which assesses a \$100 fine against individuals found guilty of driving under the influence (DUI), reckless driving, license violations or hit and run traffic incidents.

FY 06: The Board added 1.00 FTE for a cashier.

## Office of the Treasurer

---

### Expenditures by Program

Programs	FY 03 Actual	FY 04 Actual	FY 05 Actual	FY 06 Adopted	FY 07 Adopted
Collection of County Revenue	\$2,093,860	\$2,259,295	\$2,306,289	\$2,445,000	\$2,795,000
Invest/Safeguard of County Funds	209,417	239,511	238,026	253,000	276,000
Accounting of Funds	292,019	290,597	336,168	398,000	384,000
Project Fairness	62,642	82,801	113,206	140,000	153,000
<b>Total</b>	<b>\$2,657,938</b>	<b>\$2,872,204</b>	<b>\$2,993,689</b>	<b>\$3,236,000</b>	<b>\$3,608,000</b>

### Revenues by Program

Programs	FY 03 Actual	FY 04 Actual	FY 05 Actual	FY 06 Adopted	FY 07 Adopted
Collection of County Revenue	\$4,135,766	\$4,868,513	\$5,081,277	\$4,705,000	\$5,205,000
Invest/Safeguard of County Funds	2,223,174	1,776,678	4,546,597	2,400,000	8,000,000
Accounting of Funds	0	0	0	0	0
Project Fairness	1,274,773	1,194,465	1,106,641	1,035,000	1,050,000
<b>Total</b>	<b>\$7,633,713</b>	<b>\$7,839,656</b>	<b>\$10,734,515</b>	<b>\$8,140,000</b>	<b>\$14,255,000</b>

### Local Tax Funding by Program

Programs	FY 03 Actual	FY 04 Actual	FY 05 Actual	FY 06 Adopted	FY 07 Adopted
Collection of County Revenue	(\$2,041,906)	(\$2,609,218)	(\$2,774,988)	(\$2,260,000)	(\$2,410,000)
Invest/Safeguard of County Funds	(2,013,757)	(1,537,167)	(4,308,571)	(2,147,000)	(7,724,000)
Accounting of Funds	292,019	290,597	336,168	398,000	384,000
Project Fairness	(1,212,131)	(1,111,664)	(993,435)	(895,000)	(897,000)
<b>Total</b>	<b>(\$4,975,775)</b>	<b>(\$4,967,452)</b>	<b>(\$7,740,826)</b>	<b>(\$4,904,000)</b>	<b>(\$10,647,000)</b>

### Staffing by Program

Programs	FY 03 Actual	FY 04 Actual	FY 05 Actual	FY 06 Adopted	FY 07 Adopted
Collection of County Revenue	28.69	29.39	29.75	30.75	31.75
Invest/Safeguard of County Funds	1.95	1.95	1.94	1.94	1.94
Accounting of Funds	5.90	5.10	4.89	4.89	4.89
Project Fairness	1.80	0.90	1.76	1.76	1.76
<b>Total</b>	<b>38.34</b>	<b>37.34</b>	<b>38.34</b>	<b>39.34</b>	<b>40.34</b>

## Office of the Treasurer - Collection of County Revenue

### DESCRIPTION

The Treasurer's Office is the focal point for collection of all County and School revenue, including real and tangible personal property taxes, and serves as the depository for all cash receipts. The comprehensive program prepares and mails tax bills; collects and processes revenue; issues County decals; provides quality customer service relating to taxes; and accounts for all revenue from the various County agencies, departments, and programs.

### BUDGET OVERVIEW

#### **FY 07 Issues:**

- To maintain a high level of customer service provided to internal and external customers, the Treasurer's Office will utilize all resources (Loudoun County Alert System, Press Releases, etc) available to communicate property tax information for the citizens. As the population increases in the County, it becomes more challenging to keep the public informed on tax policies.
- The Treasurer's Office reviews, bills and collects all taxes, licenses and fees in the County in compliance with all local, state and federal regulations. The office reviews collection and processing procedures and identifies areas for enhancements. Some examples of the technological initiatives include an integrated high-speed processor and cashier system image database, acceptance of tax payments over the Internet and utilization of lock box services. Due to increases in the number of transactions processed each year, the office strives to identify and improve efficiency.
- The Treasurer's Office administers the Route 28 and Dulles Town Center Community Development Authority (CDA) special tax districts. The office mails real property tax bills, collects and processes payments, and reconciles revenue. On a monthly basis, the staff notifies the State of Virginia regarding the amount of Route 28 revenue collected and remits payments to the State. The staff also reviews Dulles Town Center CDA special tax district revenue and remits funds collected to the Authority as specified by the agreement.

#### **FY 07 Challenges:**

- Growth in the County population has resulted in a 10% increase in the number of real and personal property tax accounts each year.
- Continue to maintain low delinquency rates to minimize the local tax burden to residents. The staff utilizes online system access to Department of Motor Vehicles (DMV) and Virginia Employment Commission (VEC) to research and identify delinquent taxpayers. The staff also utilizes all available collection tools, such as State set-off debt, tax liens, warrants, payment plans and DMV stops. The collectors assist other County & School departments with collecting outstanding invoices, returned checks, and delinquent HIP loans.
- Amend the County Ordinance relating to the issuance of Business Licenses. The Treasurer's Office will require that all delinquent taxes (personal property) associated with a business be satisfied before issuing a Business License. This will significantly improve the collection of taxes.

<b>Program Financial Summary</b>	<b>FY 03 Actual</b>	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Adopted</b>	<b>FY 07 Adopted</b>
<b>Expenditures</b>					
Personnel	\$1,445,406	\$1,537,976	\$1,590,563	\$1,762,000	\$1,989,000
Operations & Maintenance	635,459	708,324	513,018	673,000	796,000
Capital Outlay	12,995	12,995	202,708	10,000	10,000
<b>Total Expenditures:</b>	<b>\$2,093,860</b>	<b>\$2,259,295</b>	<b>\$2,306,289</b>	<b>\$2,445,000</b>	<b>\$2,795,000</b>
<b>Revenue</b>					
Local Fees, Charges, Etc	\$3,802,676	\$4,561,725	\$4,761,685	\$4,392,000	\$4,892,000
Commonwealth	333,090	306,788	319,592	313,000	313,000
<b>Total Revenues:</b>	<b>\$4,135,766</b>	<b>\$4,868,513</b>	<b>\$5,081,277</b>	<b>\$4,705,000</b>	<b>\$5,205,000</b>
<b>Local Tax Funding:</b>	<b>(\$2,041,906)</b>	<b>(\$2,609,218)</b>	<b>(\$2,774,988)</b>	<b>(\$2,260,000)</b>	<b>(\$2,410,000)</b>
<b>FTE Summary:</b>	<b>28.69</b>	<b>29.39</b>	<b>29.75</b>	<b>30.75</b>	<b>31.75</b>

---

## Office of the Treasurer - Collection of County Revenue

---

### Planned Accomplishments/Objectives for FY 07

**Goal:** Collect all County and School revenue, including real and tangible personal property taxes, and serve as the depository of all cash receipts.

**Objective:** Bill and collect 95% of semi-annual real estate, semi-annual prorated personal property, and annual business license taxes by the mandated dates.

<i>Performance Measures</i>	<b>Actual FY 04</b>	<b>Actual FY 05</b>	<b>Est. FY 06</b>	<b>Proj. FY 07</b>
Number of accounts levied	668,944	717,308	753,173	790,832
Dollar values levied	\$445M	\$515M	\$540M	\$568M
Tax value collected in dollars ( <i>current and delinquent</i> )	\$462M	\$528M	\$544M	\$582M
Tax value collected online in dollars ( <i>credit cards and e-check</i> )	\$8M	\$14M	\$14.7M	\$17M

---

## Office of the Treasurer - Investment & Safeguarding County Funds

---

### DESCRIPTION

The Treasurer's Office strives to obtain the highest possible yield on available County assets, consistent with constraints imposed by its safety objectives, cash flow considerations and the County's Investment Policy. The program maintains the County's primary banking relationship and associated services. The Loudoun County Finance Board, whose members are designated by the Code of Virginia, reviews the County's investment holdings and activities and provides program guidance.

### BUDGET OVERVIEW

#### **FY 07 Issues:**

- The County's primary investment objective is to preserve capital and liquidity. The office complies with the investment policy and maintains a conservative portfolio of security investments that limits the County's exposure.
- The County utilizes the investment portfolio's weighted average to maturity, in comparison with the associated US Treasury Bill, as its benchmark. The benchmark identifies efficiencies, or inefficiencies, in the County's investing practices. The County continues to exceed its benchmark by an average of half a basis point by maximizing the use of available investment tools.
- The County's investment earnings reflect the fluctuations in the US economy. The stabilization of the markets contributes to the County realizing increasing interest rates.

#### **FY 07 Challenges:**

- Meet all cash flow requirements, while focusing on safety and liquidity through the ability to forecast the County's drawdown.

<b>Program Financial Summary</b>	<b>FY 03 Actual</b>	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Adopted</b>	<b>FY 07 Adopted</b>
<b>Expenditures</b>					
Personnel	\$160,261	\$187,459	\$184,550	\$192,000	\$205,000
Operations & Maintenance	49,156	52,052	53,476	61,000	71,000
<b>Total Expenditures:</b>	<b>\$209,147</b>	<b>\$239,511</b>	<b>\$238,026</b>	<b>\$253,000</b>	<b>\$276,000</b>
<b>Revenue</b>					
Local Fees, Charges, Etc.	\$2,223,174	\$1,776,678	\$4,546,597	\$2,400,000	\$8,000,000
<b>Total Revenues:</b>	<b>\$2,223,174</b>	<b>\$1,776,678</b>	<b>\$4,546,597</b>	<b>\$2,400,000</b>	<b>\$8,000,000</b>
<b>Local Tax Funding:</b>	<b>(\$2,013,757)</b>	<b>(\$1,537,167)</b>	<b>(\$4,308,571)</b>	<b>(\$2,147,000)</b>	<b>(\$7,724,000)</b>
<b>FTE Summary:</b>	<b>1.95</b>	<b>1.95</b>	<b>1.94</b>	<b>1.94</b>	<b>1.94</b>

---

## Office of the Treasurer - Investment & Safeguarding County Funds

---

### Planned Accomplishments/Objectives for FY 07

**Goal:** Maintain 100% compliance with the County's Investment Policy.

**Objective:** Meet and exceed established monthly benchmark in relation to the County's portfolio rate of return.

<i>Performance Measures</i>	<b>Actual FY 04</b>	<b>Actual FY 05</b>	<b>Est. FY 06</b>	<b>Proj. FY 07</b>
Average dollar value of investment portfolio	\$163M	\$164M	\$170M	\$280M
Average rate of return	1.25%	2.62%	3.50%	4.75%
Average benchmark	1.08%	2.28%	3.25%	4.50%

**Goal:** Deposit funds within 24 hours of receipt in the office.

**Objective:** Analyze and determine cash flows to ensure adequate funding is available to meet County's daily needs.

<i>Performance Measures</i>	<b>Actual FY 04</b>	<b>Actual FY 05</b>	<b>Est. FY 06</b>	<b>Proj. FY 07</b>
Average percent of available funds maintained for liquidity	37%	27%	30%	30%



## Office of the Treasurer – Accounting of Funds

### DESCRIPTION

The Treasurer's Office manages the disbursement of all County and School accounts, including refunds and operating expenditures. The disbursement of funds consists of verifying funding, disbursing checks and reconciling the County's primary bank accounts. The division also attempts to research and resolve outstanding checks before submission to the Commonwealth's Unclaimed Property report.

### BUDGET OVERVIEW

#### **FY 07 Issues:**

- The expanded use of technology is paramount to the efficient operation of the office. With the assistance of the Department of Information Technology, it is the Treasurer's intent to upgrade existing systems, develop new automated systems and expand e-commerce. The goal of these new systems is to enhance customer service by minimizing labor intensive processing by staff. For example, the implementation of ACH vendor payments in FY 06 eliminated the distribution and associated mailing costs of operating checks and improved the reconciliation of the operating bank account.
- The Office regularly reviews banking services for new technologies and systems solutions that would improve reconciliation and service delivery efficiencies. For example, County implemented positive pay to its payroll and operating accounts to protect the County from fraudulent issuance of checks and daily notification of unmatched check numbers and/or dollar amounts.
- The Treasurer's Office is responsible for the reconciliation and administration of all County bank accounts. The Office reconciles accounts for other departments, such as the Parks, Recreation and Community Services (PRCS) and Sheriff's Inmate, Canteen and Work Release accounts.

#### **FY 07 Challenges:**

- Notify parties of 6,000 un-cashed County checks prior to submission of Unclaimed Property report to the State.
- Reconcile the County's 33 bank statements within 60 days of month end.

<b>Program Financial Summary</b>	<b>FY 03 Actual</b>	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Adopted</b>	<b>FY 07 Adopted</b>
<b>Expenditures</b>					
Personnel	\$287,062	\$285,509	\$331,385	\$388,000	\$373,000
Operations & Maintenance	4,957	5,088	4,783	10,000	11,000
<b>Total Expenditures:</b>	<b>\$292,019</b>	<b>\$290,597</b>	<b>\$336,168</b>	<b>\$398,000</b>	<b>\$384,000</b>
<b>Revenue</b>					
Local Fees, Charges, Etc	\$0	\$0	\$0	\$0	\$0
<b>Total Revenues:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Local Tax Funding:</b>	<b>\$292,019</b>	<b>\$290,597</b>	<b>\$336,168</b>	<b>\$398,000</b>	<b>\$384,000</b>
<b>FTE Summary:</b>	<b>5.90</b>	<b>5.10</b>	<b>4.89</b>	<b>4.89</b>	<b>4.89</b>

---

## Office of the Treasurer – Accounting of Funds

---

### Planned Accomplishments/Objectives for FY 07

**Goal:** Account for the application of real property, personal property and business license tax payments.

**Objective:** Research and process payment re-application or authorize real property, personal property and business license tax refunds.

<i>Performance Measures</i>	<b>Actual FY 04</b>	<b>Actual FY 05</b>	<b>Est. FY 06</b>	<b>Proj. FY 07</b>
Number of accounting entries	24,031	31,815	32,000	33,400
Number of tax refunds authorized	41,903	44,660	45,000	46,900
Average number of outstanding checks per month	7,366	4,872	7,000	5,500

**Goal:** Monitor and verify all County disbursements and receipts.

**Objective:** Reconcile the County's 33 bank statements within 60 days of month end.

<i>Performance Measures</i>	<b>Actual FY 04</b>	<b>Actual FY 05</b>	<b>Est. FY 06</b>	<b>Proj. FY 07</b>
Percent of time bank reconciliations are completed within 60 days	100%	100%	99%	99%

## Office of the Treasurer - Project Fairness/Cost Recovery

### DESCRIPTION

The Project Fairness program is a joint effort between the Treasurer's Office and the Sheriff's Office with input from the citizenry. The Sheriff's Office issues citations on vehicles with expired, improper or missing County decals. The Treasurer's Office administers the collection of issued citations and associated personal property taxes and collection fees. The Cost Recovery program is also a joint effort between the Treasurer's Office and the Sheriff's Office. The Sheriff's Office submits a listing of convictions related to DUI, reckless driving, driving without a license or on a suspended license, in addition to a license that is revoked or a hit and run. The Treasurer's Office sends a bill to the individual to recover the emergency response costs.

### BUDGET OVERVIEW

#### **FY 07 Issues:**

- County residents with vehicles garaged in Loudoun are legally required to register those vehicles with the Commissioner of the Revenue. Operation Fairness will actively seek to identify and enforce vehicle registration. Loudoun County participates in the Northern Virginia Compact for Local Motor Vehicle License Enforcement. The participating jurisdictions reciprocally enforce local motor vehicle license display requirements.
- The Cost Recovery program is reliant on conviction data processed by the court system and provided by the Sheriff's Office. There is a 3 to 6 month gap between the time of an incident and the cost recovery bill levied. There are several issues that impact this time gap, such as scheduling of court date, appeal process, etc.

#### **FY 07 Challenges:**

- Identify and enforce compliance with County personal property registration.
- Levy and collect additional tax revenue generated from vehicles registered due to Project Fairness.
- Bill and collect fees from individuals convicted of DUI and other traffic violations to recover emergency response costs.

<b>Program Financial Summary</b>	<b>FY 03 Actual</b>	<b>FY 04 Actual</b>	<b>FY 05 Actual</b>	<b>FY 06 Adopted</b>	<b>FY 07 Adopted</b>
<b>Expenditures</b>					
Personnel	\$42,643	\$61,401	\$83,780	\$93,000	\$100,000
Operations & Maintenance	19,999	21,400	29,426	23,000	29,000
Capital Outlay	0	0	0	24,000	24,000
<b>Total Expenditures:</b>	<b>\$62,642</b>	<b>\$82,801</b>	<b>\$113,206</b>	<b>\$140,000</b>	<b>\$153,000</b>
<b>Revenue</b>					
Local Fees, Charges, Etc	\$670,020	\$617,013	\$598,282	\$535,000	\$550,000
Commonwealth	604,753	577,452	508,359	500,000	500,000
<b>Total Revenues:</b>	<b>\$1,274,773</b>	<b>\$1,194,465</b>	<b>\$1,106,641</b>	<b>\$1,035,000</b>	<b>\$1,050,000</b>
<b>Local Tax Funding:</b>	<b>(\$1,212,131)</b>	<b>(\$1,111,664)</b>	<b>(\$993,435)</b>	<b>(\$895,000)</b>	<b>(\$897,000)</b>
<b>FTE Summary:</b>	<b>1.80</b>	<b>0.90</b>	<b>1.76</b>	<b>1.76</b>	<b>1.76</b>

---

## Office of the Treasurer - Project Fairness/Cost Recovery

---

### Planned Accomplishments/Objectives for FY 07

**Goal:** Identify and enforce compliance with County personal property registration.

**Objective:** Issue warning notices and notices of violation to vehicles with expired, improper or missing County decals.

<i>Performance Measures</i>	<b>Actual FY 04</b>	<b>Actual FY 05</b>	<b>Est. FY 06</b>	<b>Proj. FY 07</b>
Number of warning notices issued	11,896	11,629	12,491	12,500
Number of violation notices issued	3,120	2,399	3,120	3,200
Number of new accounts established on discovered vehicles	11,006	8,984	12,657	12,700

**Goal:** Recover costs of emergency response to accidents and incidents from individual convicted of the driving offense.

**Objective:** Issue bills and collect fees from individuals convicted of DUI, reckless driving, hit and run, and driving with a suspended/revoked license.

<i>Performance Measures</i>	<b>Actual FY 04</b>	<b>Actual FY 05</b>	<b>Est. FY 06</b>	<b>Proj. FY 07</b>
Number of cost recovery bills issued	233	610	400	400
Dollar value of recovered fees (includes Treasurer's Office and Sheriff's Office revenue)	\$11,590	\$63,751	\$30,000	\$30,000

**Notes**

---